

## **PROVISION 2 and 3**

### **Questions and Answers**

The information below pertains to implementation of Provisions 2 and 3 under the National School Lunch Program (NSLP) and School Breakfast Program (SPB). This information reflects guidance received from the United States Department of Agriculture (USDA) through April 2000.

#### **A) PARTICIPATION**

##### **A-1) Who may participate in Provisions 2 and 3?**

All NSLP schools and agencies, including Residential Child Care Institutions (RCCIs), may participate. There are no required minimum needy percentages. However, it is recommended that at least 60 percent of enrolled children should be eligible for free or reduced price meals. Under both provisions, sponsors must provide meals free of charge to all enrolled students participating in the program for a four-year period.

##### **A-2) How do sponsors apply?**

Sponsors must receive state agency (SA) approval prior to implementation by submitting a Provision 2 or Provision 3 Policy Statement Addendum.

##### **A-3) May Provision 2 or 3 be implemented mid-year?**

No. Both Provisions must be implemented at the beginning of the school year.

##### **A-4) Are extensions available?**

Four-year extensions are available for both Provisions, provided that available and approved socioeconomic data confirms that the income level of the school's population has remained stable or shown no more than a negligible improvement (5 percent or less after adjusting for inflation). Pre-approved sources of socioeconomic data would include local data developed or collected by city or county zoning and economic planning offices or unemployment data for the area from which the school draws attendance which measure the stability of the income level of the school's population.

The SA requires a sponsor to establish a new base year if there has been a significant (5 percent or more) improvement, after adjusting for inflation, in the socioeconomic status of the school's population.

### **A-5) May sponsors cancel Provision practices?**

Sponsors may return to standard procedures at any time. However, the sponsor must allow for the time needed to recertify free and reduced price eligibility and to begin meal counts by eligibility category.

## **B) ELIGIBILITY**

### **B-1) When are applications taken?**

Student applications are taken only during the base year of each Provision. No applications are taken during the subsequent years of the cycles (three subsequent years for Provision 2 and four subsequent years for Provision 3).

### **B-2) How is the base year applied to subsequent years?**

During the first (or base) year, the sponsor takes applications, makes eligibility determinations, and records meal counts by type, just as it would under normal program rules. Under Provision 2, monthly percentages for free, reduced price, and paid categories are applied to corresponding monthly meal counts during the three subsequent non-base years. Under Provision 3, the same monthly base-year meal counts are reported on claims submitted during the four subsequent years.

It is important to note that Provision 2 allows for changes in participation. Provision 3 allows only for changes in enrollment and inflation.

### **B-3) How are visitors handled?**

Serving and claiming practices for visitors at Provision sites are the same as those at sites using standard procedures. California Education Code Section 38082 states that food shall not be sold at any school cafeteria to anyone except pupils and employees of the school district, members of the governing board thereof, and members or employees of the fund or association maintaining the cafeteria.

To serve and claim meals for visiting students during the base year, a copy of the application is required to establish eligibility and determine meal category. During subsequent years, visiting students will be served a meal without charge, along with the participating students. Provision 2 will allow for the additional meal to be claimed, but Provision 3 will not.

### **C) PRICING AND CLAIMING**

#### **C-1) How are meals priced under Provisions 2 and 3?**

Under Provision 2, all meals are served free for the base year and the following three years of the cycle. Under Provision 3, sponsors may charge prices during the base year, but the subsequent four years must be nonpricing.

#### **C-2) How are meals counted and claimed under Provisions 2 and 3?**

During the base year, daily point of service meal counts are taken to determine the number of free, reduced price, and full price meals served as the basis for reimbursement claims.

During a Provision 2 non-base year, total reimbursable meals are counted and base year claiming percentages are applied. During a Provision 3 non-base year, meal counts are not required. However, meals must be visually checked at point of service to determine that meals are complete. Claims are based on the same number of meals claimed in the corresponding base year month. This method allows only for enrollment adjustments, which are calculated based on October 31 enrollment of each school year.

#### **C-3) Are sponsors participating in both the NSLP and SBP required to serve meals for both programs without charge?**

Schools may implement the Provision in the NSLP, SBP, or both. If a Provision is implemented for only lunch or breakfast, applications must be collected every year for the program that continues to use standard practices. Prices may be charged for the non-Provision meal.

#### **C-4) What if I'm on Provision 3 and the number of operating days in my base year is different from subsequent non-base years?**

Under Provision 3, the base-year meal counts would be multiplied by the ratio of the number of operating days in the current year to the number of operating days in the base year. For example, if the district had 20 operating days during February in the base year and 21 operating days in February of the subsequent year, their claim should reflect a 5 percent increase over the base-year claim for the same month. Conversely, if the operating days in February decrease from 20 in the base year to 19 in the subsequent year, the claim should reflect a 5 percent decrease, or 95 percent of the base-year claim.